

SENATE BILL NO. 332—SENATOR ROBERSON

MARCH 20, 2017

Referred to Committee on Revenue and Economic Development

SUMMARY—Revises provisions governing the calculation of governmental services taxes due annually for used vehicles. (BDR 32-845)

FISCAL NOTE: Effect on Local Government: No. Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to taxation; revising provisions governing the calculation of governmental services taxes due annually for used vehicles; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 The State of Nevada imposes a governmental services tax for the privilege of
2 operating any vehicle upon the public highways of this State. (NRS 371.030) The
3 annual amount of the basic governmental services tax is 4 cents on each \$1 of
4 valuation of the vehicle, as determined by the Department of Motor Vehicles. (NRS
5 371.040) Existing law sets forth depreciation schedules for determining the amount
6 of the basic governmental services tax due each year for used vehicles and
7 establishes a minimum tax. (NRS 371.060) In 2009, the amount of the basic
8 governmental services tax due annually was increased for used vehicles by
9 reducing the amount of depreciation allowed and increasing the minimum tax. The
10 revenue from these increases in the basic governmental services tax were allocated
11 to the State General Fund until June 30, 2015, and then were required to be
12 deposited in the State Highway Fund thereafter. (Chapter 395, Statutes of Nevada
13 2009, p. 2188, as last amended by chapter 518, Statutes of Nevada 2013, p. 3426)
14 In 2015, the allocation of the revenue from the increases in the basic governmental
15 services tax was changed so that: (1) the increases in the basic governmental
16 services tax were allocated to the State General Fund until June 30, 2016; (2) in
17 Fiscal Year 2016-2017, 50 percent of those increases will be deposited in the State
18 General Fund and 50 percent of those increases will be deposited in the State
19 Highway Fund; and (3) the entire amount of those increases will be deposited in the
20 State Highway Fund commencing on July 1, 2017. (Chapter 487, Statutes of
21 Nevada 2015, pp. 2928-33, 2955)

22 Section 1 of this bill reduces the amount of the basic governmental services tax
23 due annually by: (1) eliminating the reduction in the amount of depreciation



\* S B 3 3 2 \*

24 enacted in 2009; and (2) reducing the minimum tax from \$16 to \$6. **Section 8** of  
25 this bill repeals the provision of existing law providing for the allocation of the  
26 revenue from the increase in the basic governmental services tax enacted in 2009.  
27 **Sections 2-7** of this bill make conforming changes.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** NRS 371.060 is hereby amended to read as follows:  
2 371.060 1. Except as otherwise provided in subsection 2,  
3 subsection 2 of NRS 371.040 and NRS 482.2155, each vehicle must  
4 be depreciated by the Department for the purposes of the annual  
5 governmental services tax according to the following schedule:

6 Age	7 Percentage of Initial Value
8 New .....	100 percent
9 1 year .....	<del>95</del> 85 percent
10 2 years .....	<del>85</del> 75 percent
11 3 years .....	<del>75</del> 65 percent
12 4 years .....	<del>65</del> 55 percent
13 5 years .....	<del>55</del> 45 percent
14 6 years .....	<del>45</del> 35 percent
15 7 years .....	<del>35</del> 25 percent
16 8 years .....	<del>25</del> 15 percent
17 9 years or more .....	<del>15</del> 5 percent

18  
19  
20 2. Except as otherwise provided in subsections 2 and 3 of NRS  
21 371.040, each bus, truck or truck-tractor having a declared gross  
22 weight of 10,000 pounds or more and each trailer or semitrailer  
23 having an unladen weight of 4,000 pounds or more must be  
24 depreciated by the Department for the purposes of the annual  
25 governmental services tax according to the following schedule:

26 Age	27 Percentage of Initial Value
28 New .....	100 percent
29 1 year .....	<del>85</del> 75 percent
30 2 years .....	<del>69</del> 59 percent
31 3 years .....	<del>57</del> 47 percent
32 4 years .....	<del>47</del> 37 percent
33 5 years .....	<del>38</del> 28 percent
34 6 years .....	<del>33</del> 23 percent
35 7 years .....	<del>30</del> 20 percent
36 8 years .....	<del>27</del> 17 percent



Age	Percentage of Initial Value
9 years.....	<del>25</del> 15 percent
10 years or more.....	<del>23</del> 13 percent

3. Notwithstanding any other provision of this section, the minimum amount of the governmental services tax:

(a) On any trailer having an unladen weight of 1,000 pounds or less is \$3; and

(b) On any other vehicle is ~~\$16.~~ \$6.

4. For the purposes of this section, a vehicle shall be deemed a "new" vehicle if the vehicle has never been registered with the Department and has never been registered with the appropriate agency of any other state, the District of Columbia, any territory or possession of the United States or any foreign state, province or country.

**Sec. 2.** NRS 371.230 is hereby amended to read as follows:  
 371.230 Except as otherwise provided in NRS 371.1035, 482.180  ~~and~~ 482.181  ~~and 482.182,~~ money collected by the Department for governmental services taxes and penalties pursuant to the provisions of this chapter must be deposited with the State Treasurer to the credit of the Motor Vehicle Fund.

**Sec. 3.** NRS 482.180 is hereby amended to read as follows:  
 482.180 1. The Motor Vehicle Fund is hereby created as an agency fund. Except as otherwise provided in subsection 4 or by a specific statute, all money received or collected by the Department must be deposited in the State Treasury for credit to the Motor Vehicle Fund.

2. The interest and income on the money in the Motor Vehicle Fund, after deducting any applicable charges, must be credited to the State Highway Fund.

3. Any check accepted by the Department in payment of the governmental services tax or any other fee required to be collected pursuant to this chapter must, if it is dishonored upon presentation for payment, be charged back against the Motor Vehicle Fund or the county to which the payment was credited pursuant to this section or NRS 482.181, in the proper proportion.

4. Except as otherwise provided in subsection 6, all money received or collected by the Department for the basic governmental services tax must be distributed in the manner set forth in NRS 482.181.  ~~and 482.182.~~

5. Money for the administration of the provisions of this chapter must be provided by direct legislative appropriation from the State Highway Fund or other legislative authorization, upon the



1 presentation of budgets in the manner required by law. Out of the  
2 appropriation or authorization, the Department shall pay every item  
3 of expense.

4 6. The Department shall withhold 6 percent from the amount of  
5 the governmental services tax collected by the Department as a  
6 commission. From the amount of the governmental services tax  
7 collected by a county assessor, the State Controller shall credit 1  
8 percent to the Department as a commission and remit 5 percent to  
9 the county for credit to its general fund as commission for the  
10 services of the county assessor. All money withheld by or credited  
11 to the Department pursuant to this subsection must be used only for  
12 the administration of this chapter as authorized by the Legislature  
13 pursuant to subsection 5.

14 7. When the requirements of this section and NRS 482.181  
15 ~~and 482.182~~ have been met, and when directed by the Department,  
16 the State Controller shall transfer monthly to the State Highway  
17 Fund any balance in the Motor Vehicle Fund.

18 8. If a statute requires that any money in the Motor Vehicle  
19 Fund be transferred to another fund or account, the Department shall  
20 direct the State Controller to transfer the money in accordance with  
21 the statute.

22 **Sec. 4.** NRS 482.181 is hereby amended to read as follows:

23 482.181 1. Except as otherwise provided in subsection 5,  
24 after deducting the amount withheld by the Department and the  
25 amount credited to the Department pursuant to subsection 6 of NRS  
26 482.180, ~~and the amount transferred to the State Highway Fund~~  
27 ~~pursuant to NRS 482.182,~~ the Department shall certify monthly to  
28 the State Board of Examiners the amount of the basic and  
29 supplemental governmental services taxes collected for each county  
30 by the Department and its agents during the preceding month, and  
31 that money must be distributed monthly as provided in this section.

32 2. Any supplemental governmental services tax collected for a  
33 county must be distributed only to the county, to be used as  
34 provided in NRS 371.043, 371.045 and 371.047.

35 3. The distribution of the basic governmental services tax  
36 received or collected for each county must be made to the county  
37 school district within each county before any distribution is made to  
38 a local government, special district or enterprise district. For the  
39 purpose of calculating the amount of the basic governmental  
40 services tax to be distributed to the county school district, the taxes  
41 levied by each local government, special district and enterprise  
42 district are the product of its certified valuation, determined  
43 pursuant to subsection 2 of NRS 361.405, and its tax rate,  
44 established pursuant to NRS 361.455 for the fiscal year beginning  
45 on July 1, 1980, except that the tax rate for school districts,



1 including the rate attributable to a district's debt service, is the rate  
2 established pursuant to NRS 361.455 for the fiscal year beginning  
3 on July 1, 1978, but if the rate attributable to a district's debt service  
4 in any fiscal year is greater than its rate for the fiscal year beginning  
5 on July 1, 1978, the higher rate must be used to determine the  
6 amount attributable to debt service.

7 4. After making the distributions set forth in subsection 3, the  
8 remaining money received or collected for each county must be  
9 deposited in the Local Government Tax Distribution Account  
10 created by NRS 360.660 for distribution to local governments,  
11 special districts and enterprise districts within each county pursuant  
12 to the provisions of NRS 360.680 and 360.690.

13 5. An amount equal to any basic governmental services tax  
14 distributed to a redevelopment agency in the Fiscal Year 1987-1988  
15 must continue to be distributed to that agency as long as it exists but  
16 must not be increased.

17 6. The Department shall make distributions of the basic  
18 governmental services tax directly to county school districts.

19 7. As used in this section:

20 (a) "Enterprise district" has the meaning ascribed to it in  
21 NRS 360.620.

22 (b) "Local government" has the meaning ascribed to it in  
23 NRS 360.640.

24 (c) "Received or collected for each county" means:

25 (1) For the basic governmental services tax collected on  
26 vehicles subject to the provisions of chapter 706 of NRS, the  
27 amount determined for each county based on the following  
28 percentages:

29		
30	Carson City..... 1.07 percent	Lincoln..... 3.12 percent
31	Churchill..... 5.21 percent	Lyon..... 2.90 percent
32	Clark..... 22.54 percent	Mineral..... 2.40 percent
33	Douglas..... 2.52 percent	Nye..... 4.09 percent
34	Elko..... 13.31 percent	Pershing..... 7.00 percent
35	Esmeralda..... 2.52 percent	Storey..... 0.19 percent
36	Eureka..... 3.10 percent	Washoe..... 12.24 percent
37	Humboldt..... 8.25 percent	White Pine..... 5.66 percent
38	Lander..... 3.88 percent	
39		

40 (2) For all other basic and supplemental governmental  
41 services tax received or collected by the Department, the amount  
42 attributable to each county based on the county of registration of the  
43 vehicle for which the tax was paid.

44 (d) "Special district" has the meaning ascribed to it in  
45 NRS 360.650.



1       **Sec. 5.** NRS 482.260 is hereby amended to read as follows:  
2       482.260 1. When registering a vehicle, the Department and  
3 its agents or a registered dealer shall:

4       (a) Collect the fees for license plates and registration as  
5 provided for in this chapter.

6       (b) Collect the governmental services tax on the vehicle, as  
7 agent ~~for the State and~~ for the county where the applicant intends  
8 to base the vehicle for the period of registration, unless the vehicle is  
9 deemed to have no base.

10       (c) Collect the applicable taxes imposed pursuant to chapters  
11 372, 374, 377 and 377A of NRS.

12       (d) Issue a certificate of registration.

13       (e) If the registration is performed by the Department, issue the  
14 regular license plate or plates.

15       (f) If the registration is performed by a registered dealer, provide  
16 information to the owner regarding the manner in which the regular  
17 license plate or plates will be made available to the owner.

18       2. Upon proof of ownership satisfactory to the Director, the  
19 Director shall cause to be issued a certificate of title as provided in  
20 this chapter.

21       3. Except as otherwise provided in NRS 371.070 and  
22 subsections 6, 7 and 8, every vehicle being registered for the first  
23 time in Nevada must be taxed for the purposes of the governmental  
24 services tax for a 12-month period.

25       4. The Department shall deduct and withhold 2 percent of the  
26 taxes collected pursuant to paragraph (c) of subsection 1 and remit  
27 the remainder to the Department of Taxation.

28       5. A registered dealer shall forward all fees and taxes collected  
29 for the registration of vehicles to the Department.

30       6. A trailer being registered pursuant to NRS 482.2065 must be  
31 taxed for the purposes of the governmental services tax for a 3-year  
32 period.

33       7. A full trailer or semitrailer being registered pursuant to  
34 subsection 3 of NRS 482.483 must be taxed for the purposes of the  
35 governmental services tax in the amount of \$86. The governmental  
36 services tax paid pursuant to this subsection is nontransferable and  
37 nonrefundable.

38       8. A moped being registered pursuant to NRS 482.2155 must  
39 be taxed for the purposes of the governmental services tax for only  
40 the 12-month period following the registration. The governmental  
41 services tax paid pursuant to this subsection is nontransferable and  
42 nonrefundable.

43       **Sec. 6.** NRS 482.280 is hereby amended to read as follows:

44       482.280 1. Except as otherwise provided in NRS 482.2155,  
45 the registration of every vehicle expires at midnight on the day



1 specified on the receipt of registration, unless the day specified falls  
2 on a Saturday, Sunday or legal holiday. If the day specified on the  
3 receipt of registration is a Saturday, Sunday or legal holiday, the  
4 registration of the vehicle expires at midnight on the next judicial  
5 day. The Department shall mail to each holder of a certificate of  
6 registration a notification for renewal of registration for the  
7 following period of registration. The notifications must be mailed by  
8 the Department in sufficient time to allow all applicants to mail the  
9 notifications to the Department or to renew the certificate of  
10 registration at a kiosk or authorized inspection station or via the  
11 Internet or an interactive response system and to receive new  
12 certificates of registration and license plates, stickers, tabs or other  
13 suitable devices by mail before the expiration of their registrations.  
14 An applicant may present or submit the notification to any agent or  
15 office of the Department.

16 2. A notification:

- 17 (a) Mailed or presented to the Department or to a county  
18 assessor pursuant to the provisions of this section;  
19 (b) Submitted to the Department pursuant to NRS 482.294; or  
20 (c) Presented to an authorized inspection station or authorized  
21 station pursuant to the provisions of NRS 482.281,  
22 ➔ must include, if required, evidence of compliance with standards  
23 for the control of emissions.

24 3. The Department shall include with each notification mailed  
25 pursuant to subsection 1:

26 (a) The amount of the governmental services tax to be collected  
27 *for the county* pursuant to the provisions of NRS 482.260.

28 (b) The amount set forth in a notice of nonpayment filed with  
29 the Department by a local authority pursuant to NRS 484B.527.

30 (c) A statement which informs the applicant:

31 (1) That, pursuant to NRS 485.185, the applicant is legally  
32 required to maintain insurance during the period in which the motor  
33 vehicle is registered which must be provided by an insurance  
34 company licensed by the Division of Insurance of the Department of  
35 Business and Industry and approved to do business in this State; and

36 (2) Of any other applicable requirements set forth in chapter  
37 485 of NRS and any regulations adopted pursuant thereto.

38 (d) A statement which informs the applicant that, if the applicant  
39 renews a certificate of registration at a kiosk or via the Internet, he  
40 or she may make a nonrefundable monetary contribution of \$2 for  
41 each vehicle registration renewed for the Complete Streets Program,  
42 if any, created pursuant to NRS 244.2643, 277A.285 or 403.575, as  
43 applicable, based on the declaration made pursuant to paragraph (c)  
44 of subsection 3 of NRS 482.215. The notification must state in a  
45 clear and conspicuous manner that a contribution for a Complete



1 Streets Program is nonrefundable and voluntary and is in addition to  
2 any fees required for registration.

3 (e) Any amount due for reissuance of a license plate or a plate  
4 reissued pursuant to subsection 2 of NRS 482.265, if applicable.

5 4. An application for renewal of a certificate of registration  
6 submitted at a kiosk or via the Internet must include a statement  
7 which informs the applicant that he or she may make a  
8 nonrefundable monetary contribution of \$2, for each vehicle  
9 registration which is renewed at a kiosk or via the Internet, for the  
10 Complete Streets Program, if any, created pursuant to NRS  
11 244.2643, 277A.285 or 403.575, as applicable, based on the  
12 declaration made pursuant to paragraph (c) of subsection 3 of NRS  
13 482.215. The application must state in a clear and conspicuous  
14 manner that a contribution for a Complete Streets Program is  
15 nonrefundable and voluntary and is in addition to any fees required  
16 for registration, and must include a method by which the applicant  
17 must indicate his or her intention to opt in or opt out of making such  
18 a contribution.

19 5. An owner who has made proper application for renewal of  
20 registration before the expiration of the current registration but who  
21 has not received the license plate or plates or card of registration for  
22 the ensuing period of registration is entitled to operate or permit the  
23 operation of that vehicle upon the highways upon displaying thereon  
24 the license plate or plates issued for the preceding period of  
25 registration for such a time as may be prescribed by the Department  
26 as it may find necessary for the issuance of the new plate or plates  
27 or card of registration.

28 **Sec. 7.** NRS 706.211 is hereby amended to read as follows:

29 706.211 All money collected by the Department under the  
30 provisions of NRS 706.011 to 706.861, inclusive, must be deposited  
31 in the State Treasury for credit to the Motor Vehicle Fund. Except as  
32 otherwise provided in this chapter and NRS 482.180 and 482.181,  
33 ~~and except for any money transferred to the State General Fund~~  
34 ~~pursuant to NRS 482.182,~~ all money collected under the provisions  
35 of NRS 706.011 to 706.861, inclusive, must be used for the  
36 construction, maintenance and repair of the public highways of this  
37 State.

38 **Sec. 8.** NRS 482.182 is hereby repealed.

39 **Sec. 9.** This act becomes effective on July 1, 2017.





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TEXT OF REPEALED SECTION

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**482.182 Governmental services taxes: Transfer of certain amount from proceeds to State General Fund and State Highway Fund.**

1. After deducting the amount withheld by the Department and the amount credited to the Department pursuant to subsection 6 of NRS 482.180 and before carrying out the provisions of NRS 482.181 each month, the Department shall direct the State Controller to transfer to the:

(a) State General Fund from the proceeds of the basic governmental services tax collected by the Department and its agents during the preceding month 50 percent of the amounts indicated pursuant to this section.

(b) State Highway Fund from the proceeds of the basic governmental services tax collected by the Department and its agents during the preceding month 50 percent of the amounts indicated pursuant to this section.

2. Except as otherwise provided in subsection 3, the amount required to be transferred pursuant to subsection 1 from the proceeds of the basic governmental services tax imposed on vehicles depreciated in accordance with:

(a) Subsection 1 of NRS 371.060 based upon an age of:

(1) One year, is a sum equal to 11 percent of those proceeds;

(2) Two years, is a sum equal to 12 percent of those proceeds;

(3) Three years, is a sum equal to 13 percent of those proceeds;

(4) Four years, is a sum equal to 15 percent of those proceeds;

(5) Five years, is a sum equal to 18 percent of those proceeds;

(6) Six years, is a sum equal to 22 percent of those proceeds;

(7) Seven years, is a sum equal to 29 percent of those proceeds;

(8) Eight years, is a sum equal to 40 percent of those proceeds; and

(9) Nine years or more, is a sum equal to 67 percent of those proceeds; and

(b) Subsection 2 of NRS 371.060 based upon an age of:

(1) One year, is a sum equal to 12 percent of those proceeds;



- (2) Two years, is a sum equal to 14 percent of those proceeds;
- (3) Three years, is a sum equal to 18 percent of those proceeds;
- (4) Four years, is a sum equal to 21 percent of those proceeds;
- (5) Five years, is a sum equal to 26 percent of those proceeds;
- (6) Six years, is a sum equal to 30 percent of those proceeds;
- (7) Seven years, is a sum equal to 33 percent of those proceeds;
- (8) Eight years, is a sum equal to 37 percent of those proceeds;
- (9) Nine years, is a sum equal to 40 percent of those proceeds; and
- (10) Ten years or more, is a sum equal to 43 percent of those proceeds.

3. The amount required to be transferred pursuant to subsection 1 from the proceeds of the basic governmental services tax imposed on vehicles to which the minimum amount of that tax applies pursuant to paragraph (b) of subsection 3 of NRS 371.060 is a sum equal to 63 percent of those proceeds.

